

Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 OPIC-03 AID-05 COME-00

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FM AMEMBASSY DACCA

TO SECSTATE WASHDC 7938

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PASS OPIC

E.O. 11652: N/A

TAGS: EINV, BG

SUBJ: BELBAGCO

REF: 77 DACCA 6456

1. DURING A CALL ON THE NEW SECRETARY FOR INDUSTRIES MATIUL ISLAM JANUARY 31, EMBOFF RAISED BELBAGCO CLAIM AND URGED PROMPT SETTLEMENT. ISLAM SAID HE HAD BEEN FULLY BRIEFED ON THE CASE BY HIS BOSS, ADVISER FOR INDUSTRIES JAMALUDDIN AHMED, AND THAT INSTRUCTIONS HAVE BEEN SENT TO THE BANGLADESH AMBASSADOR IN WASHINGTON TO DISCUSS THE CASE WITH OPIC OFFICIALS. ISLAM ALSO REPEATED THE THEME THAT SETTLEMENT MUST NOT ESTABLISH A PRECEDENT THAT WOULD JEOPARDIZE BDG'S POSITION WITH OTHER CLAIMANTS.

2. EMBOFF MENTIONED THAT A PROPOSAL BY DEVCO INTERNATIONAL FOR A \$17 MILLION CARBON BLACK INVESTMENT IN BANGLADESH WOULD REQUIRE OPIC INSURANCE AND THAT THIS WAS ALL THE MORE REASON FOR SPEEDY RESOLUTION OF THE BELBAGCO CLAIM. ISLAM SAID HE WAS QUITE FAMILIAR WITH THE DEVCO PROPOSAL. LAST YEAR, AFTER LEAVING A POSITION WITH THE WORLD BANK IN WASHINGTON AND BEFORE HIS RECENT APPOINTMENT AS SECRE-
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TARY, HE PRACTICED HIS ORIGINAL PROFESSION AS A CHARTERED ACCOUNTANT WITH A LOCAL FIRM. IN THIS CAPACITY HE HAD PROMOTED THE DECO PROPOSAL AND HAD OBTAINED THE SUPPORT OF THE AMERICAN EXPRESS BANK WHICH WILL FINANCE IT.

3. COMMENT: THE DECO PROPOSAL AND ISLAM'S FORMER INVOLVEMENT IN IT MAY PROVIDE IMPETUS FOR SETTLEMENT OF

THE BELBAGCO CLAIM. ANOTHER PROPOSED NEW U.S. INVEST-
MENT -- A \$650,000 TO \$1 MILLION EXPANSION BY PFIZER
(BANGLADESH) LTD. -- WAS ORIGINALLY PROPOSED ON THE
EXPECTATION THAT OPIC INSURANCE WOULD BE AVAILABLE (REF-
TEL). HOWEVER PFIZER'S MANAGING DIRECTOR RECENTLY
ADVISED EMBOFF THAT THE EXPANSION WILL PROBABLY GO FOR-
WARD EVEN WITHOUT OPIC COVERAGE. ALSO, LOCAL GENERAL
MOTORS REPRESENTATIVE REPORTS THAT GM, WHICH HAD ORIGI-
NALLY PROPOSED A \$750,000 OPIC-INSURED INVESTMENT IN THE
PRAGOTI VEHICLE PLANT (REFTEL), IS NOW DISCUSSING A
MANAGEMENT CONTRACT INSTEAD.
BERGESEN

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Message Attributes

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